

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Application Number : 09/470,180 Confirmation No.: 5863
Applicant : Jay MERVES, *et al.*
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Title : STRUCTURED FINANCE PERFORMANCE ANALYTICS
TC/Art Unit : 3627
Examiner: : Paul DANNEMAN
Docket No. : 72167.000112
Customer No. : 21967

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ARGUMENTS IN SUPPORT OF PRE-APPEAL-BRIEF CONFERENCE REQUEST

In response to the office action mailed April 9, 2008 ("Office Action"), Applicants respectfully request careful consideration of the below arguments in support of a pre-appeal-brief conference request.

I. The Cited Art Fails To Disclose Receiving Search Criteria Identifying A Structured Securities Transaction

Claim 1 recites "receiving ... search criteria identifying at least one structured securities transaction ... associated with at least one underlying security." The cited reference, U.S. Patent No. 6,233,566 to Levine *et al.* ("Levine"), fails to disclose this limitation.

To understand this limitation, it is necessary to have a very basic understanding of structured securities transactions. A typical example of such a transaction is a mortgage backed security, such as a mortgage backed corporate bond. The present specification defines such structured securities transactions as follows.

The selling and buying parties to a structured securities transaction (or deal as is known in the art) are the issuer (or originator) and one or more investors. There are many types of securities which may be issued in a structured transaction, such as asset-backed securities, mortgage backed securities, etc. In an asset-backed security transaction, the issuer sells one or more corporate obligations (often in

the form of a fixed income security) which are securitized by a pool of assets. The one or more investors purchase the corporate debt obligations(s) with the understanding that the underlying pool of assets (such as accounts receivable, loans, etc.) affect their income from the security. In mortgage-backed securities transactions, the *corporate debt obligations* are secured by a *pool of mortgages*.

Specification, page 1, line 15 - page 2, line 5 (emphasis added). Thus, according to the present specification, a “structured securities transaction” may be a mortgage backed security. Further, according to the specification, a mortgage backed security type of “structured securities transaction” includes the following two components:

- a corporate debt obligation (*i.e.*, a corporate bond), and
- pool of mortgages acting as collateral for the corporate debt obligation.

See Id. Applicants focus here on the mortgage backed securities type of structured securities transaction because the applied reference discusses pools of mortgages.

While Levine discloses searching for pools of mortgages (see, e.g., Levine, column 16, lines 1-8), *identifying a pool of mortgages is not sufficient to identify a structured security transaction*. Specifically, mortgage pools act as underlying collateral for the mortgage backed security. But structured securities transaction include more than just collateral; for example, they also include corporate debt obligations securitized by the collateral. Accordingly, identifying collateral is not sufficient to identify an associated structured securities transaction.

An analogy may be made to a personal loan. A person may put up his or her car as collateral for a loan. However, identifying that person’s car is insufficient to identify that the person has used the car as collateral, and is insufficient to identify the loan itself. (If one were to *also* know that a loan exists, know the identity of the bank that issued the loan, and have access to the bank’s records, it might then be possible to identify the loan with this additional information.) But identifying a pool of mortgages does not identify a mortgage backed security for which the pool of mortgages serves as collateral.

The present Specification provides several examples of what *does* suffice to identify a mortgage backed securities transaction, as claimed. To identify a mortgage backed security, it suffices to identify it by name. *See* Specification, page 18, lines 6-17 and Fig. 5B (item 74). In some

instances, to identify a mortgage backed security, it may suffice to identify the corporate debt obligation *together with* the pool of assets underlying the corporate debt obligation *together with* the originator of the mortgage backed security.¹ See Specification, page 18, lines 6-17. However, identifying a pool of mortgages is insufficient to identify the mortgage backed security for which they serve as collateral.

Levine, the applied reference, makes no provision for “search criteria *identifying at least one structured securities transaction*” as claimed. Applicants understand the Office’s position to be that Levine discloses searching in and among mortgage pools, and that such searching meets the limitation at issue. Applicants respectfully point out that, as discussed above, identifying a pool of mortgages does *not* suffice to identify any structured securities transaction (such as a mortgage backed security). That is, although Levine discloses searching for pools of mortgages (see, e.g., Levine, column 16, lines 1-8), *searching for pools of mortgages fails to identify any mortgage backed security*. As discussed above, mortgage backed securities are debt obligations (corporate bonds) with an underlying mortgage pool. Knowing about a mortgage pool provides no identifying information about any mortgage backed security.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. MPEP § 2131 (citation omitted). Because Levine fails to disclose “receiving ... search criteria identifying at least one structured securities transaction ... associated with at least one underlying security,” Applicants respectfully request that the rejections of the claims be withdrawn.

II. Levine Fails To Disclose Searching Underlying Securities After Receiving Search Criteria Identifying A Structured Securities Transaction

Claim 1, as amended, recites “receiving ... search criteria identifying at least one structured securities transaction ... associated with at least one underlying security” and “retrieving

¹ Note that mortgages have originators, mortgage pools have originators, and mortgage backed securities have originators. None of these is necessarily the same party.

historical financial performance data associated with the at least one underlying security.” Levine fails to disclose this limitation.

Even if the Office decides that Levine discloses receiving search criteria identifying a structured securities transaction (an Applicants do not so concede, see Section I above), Levine yet fails to disclose “retrieving historical financial performance data associated with the at least one underlying security.” That is, Levine fails to disclose retrieving performance data for an *underlying security* after receiving search criteria that identify a *structured securities transaction*. *Please note the difference here:* the search criteria identifies a structured securities transaction, but the data retrieved is for an underlying security. Levine fails to disclose this feature.

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. MPEP § 2131 (citation omitted). Because the cited references fail to disclose “receiving ... search criteria identifying at least one structured securities transaction ... associated with at least one underlying security” and “retrieving historical financial performance data associated with the at least one underlying security,” Applicants respectfully request that claim 1 and all claims dependent thereon be allowed.

III. Levine Fails To Disclose Providing Trustee Reports Or Indenture Documents

Claim 39 recites “providing ... trustee reports.” Claim 40 recites “providing ... indenture documents.” Levine fails to disclose these features.

As best understood, the Office’s position appears to be that because Levine discloses storing certain bids on pools of loans, it discloses providing trustee reports and indenture documents. Applicants respectfully disagree. For example, Levine’s Table 3 refers to a “Trade Data” database, which stores “pool negotiating (bidding) data.” See Levine, column 3, Table 3. However, as Levine itself makes clear, Levine at most stores bids for the sale of *pools of loans*. See, e.g., Levine, column 16, lines 1-8. Levine does *not* store any negotiation information regarding purchasing *mortgage backed securities*. Moreover, negotiation or bidding data has

nothing at all to do with trustee reports or indenture documents, which are features of structured securities transactions such as mortgage backed securities. Bids on pools of loans have nothing to do with trustee reports or indenture documents.

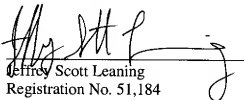
Under 35 U.S.C. § 102, anticipation requires that a prior art reference disclose each and every element of the claimed invention. *In re Sun*, 31 USPQ2d 1451, 1453 (Fed. Cir. 1993) (unpublished). MPEP § 2131, quoting *Verdegaal Bros. v. Union Oil Co. of California*, 2 USPQ2d 1051, 1053 (Fed. Cir. 1987), reinforces this principle: "A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." Because Levine fails to disclose providing trustee reports or indenture documents, Applicants respectfully request that the rejections of claims 39 and 40 be withdrawn.

IV. Conclusion

In view of the foregoing, it is respectfully submitted that the present application is in condition for allowance, and an indication of the same is courteously solicited. The present Reply is submitted together with a petition for a one-month extension of time. In the event that the U.S. Patent and Trademark Office requires any additional fee to enter this Reply or to maintain the present application pending, please charge such fee to the undersigned's Deposit Account No. 50-0206.

Respectfully submitted,
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